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CONFIDENTIAL

Control: 14135
Rec'd: MAY 21, 1959
7:05 AM

FROM: BENGHAZI

TO: Secretary of State

NO: 590, MAY 21, 3 PM

SENT DEPARTMENT 590; REPEATED INFORMATION TRIPOLI 540.

TRIPOLI PASS 7272 ABW.

YOUR 540.

JOINT EMBASSY - USOM MESSAGE.

EXCHANGE OF NOTES ON FY 1959 AID PROGRAM COMPLETED MAY 21.

US NOTE ASSIGNED CONTAINS (1) OFFER SPECIAL PURPOSE FUNDS FOR USE THIS FISCAL YEAR AT DISCRETION GOVERNMENT OF LIBYA ON UNDERSTANDING LARC COMMITMENTS MADE IN ANTICIPATION THEIR RECEIPT WILL CONTINUE BE MET FROM THEM; (2) DOLLARS FOUR MILLION FOR UNRESTRICTED USE GOL DURING ITS FISCAL YEAR 1959 AS SPECIAL INDICATION US SUPPORT FOR GOL AND WITHOUT PREJUDICE OR COMMITMENT WITH REGARD FUTURE YEAR AID PROGRAMS OR PROCEDURES; (3) TRANSFER DOLLARS TWO MILLION TO GOL FOR ALLOCATION LARC FOR ECONOMIC DEVELOPMENT PROJECTS TO BE AGREED BETWEEN TWO GOVERNMENTS; (4) STATEMENT THAT FOREGOING IS IN ADDITION TO OTHER FUNDS US GOVERNMENT MAY MAKE AVAILABLE DURING FY 1959 FOR ECONOMIC DEVELOPMENT PROJECTS LIBYA AND (5) LAST PARAGRAPH READING AS FOLLOWS: "THIS NOTE AND YOUR EXCELLENCY'S REPLY ACCEPTING IT MAY BE CONSIDERED TO CONSTITUTE GENERAL BASIS FOR PROCEEDING WITH OFFER CONTAINED HEREIN ABOVE, WITHOUT PREJUDICE TO CURRENT DISCUSSIONS BETWEEN REPRESENTATIVES OF OUR GOVERNMENTS WITH RESPECT REVIEW OF ECONOMIC AID AGREEMENTS BETWEEN TWO COUNTRIES."

LIBYAN REPLY ALSO DATED MAY 21 SETS FORTH FULL TEXT OUR NOTE AND CONCLUDES: "IN REPLY THERETO HAVE THE HONOR TO INFORM YOUR EXCELLENCY GOL ACCEPTS WHAT HAS BEEN SET FORTH IN ABOVE NOTE AND

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY J.M. Raz DATE 5/6/82
5/6/82
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NOTE AND AGREES CONSIDER THAT IT CONSTITUTES GENERAL BASIS FOR PROCEEDING WITH OFFER CONTAINED THEREIN".

JONES

MDG/VF/20

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